

COMPANY ADMISSION WORKSHEET
CHECKLIST OF KENTUCKY ADMISSION REQUIREMENTS
FOR
HEALTH MAINTENANCE ORGANIZATIONS
and
LIMITED HEALTH SERVICE ORGANIZATIONS

Company Name_____

Date of Initial Filing of Admission Material_____

IRS No._____NAIC No._____

1. Certificate of Authority Application (Form 103). Designate the types of services to be authorized to provide: Health Maintenance Organization – authorized to provide all health care services or Limited Health Service Organization – authorized to provide to provide limited health service or services to enrollees such as dental care services, vision care services, mental health services, substance abuse services, chiropractic services, pharmaceutical services, podiatric care services, and such other services as may be determined by the commissioner to be limited health services.

2. Health Maintenance Organizations only - Evidence that the applicant has been issued a Certificate of Need in accordance with the provisions of KRS Chapter 216B, or evidence that no Certificate of Need is required by KRS Chapter 216B.

3. Domestic Health Maintenance Organizations and Limited Health Service Organizations: Articles of Incorporation or partnership agreement filed in quadruplicate originals acknowledged and verified by the applicant, such as the articles of incorporation, articles of association, partnership agreement, or other applicable documents.

Foreign Health Maintenance Organizations and Limited Health Service Organizations: One (1) copy of Articles of incorporation acknowledged and verified by the applicant.

4. Domestic Health Maintenance Organizations and Limited Health Service Organizations: initial Bylaws of the organization filed in quadruplicate.

Foreign Health Maintenance Organizations and Limited Health Service Organizations : One (1) copy of Bylaws acknowledged and verified by the applicant.

5. A statement including:
- a. the health services to be offered;
 - b. the financial risks to be assumed;
 - c. the initial geographic area to be served;
 - d. pro forma financial projections for the first three (3) years of operations including the assumptions the projections are based upon;
 - e. the sources of working capital and funding;
 - f. a description of the persons to be covered by the health maintenance organization;
 - g. any proposed reinsurance agreements;
 - h. any proposed management, administrative, or cost-sharing arrangements; and
 - i. a description of the proposed method of marketing.

6. The names, addresses, and positions of the initial board of directors, board of trustees, or other governing body responsible for the conduct of the affairs of the applicant.
7. Biographical affidavits (Form 501) for all directors and all principal officers of the applicant.
8. Any proposed evidence of coverage to be issued by the applicant to individuals, enrollees, groups, or other contract holders:
 - a. Include applications or individual enrollment forms, master contract forms, member evidence of coverage or handbook, riders or endorsements, rates with actuarial justification – all to be filed in duplicate with a \$5.00 filing fee per policy form and \$100.00 filing fee per policy form rate. (Check should be made payable to Kentucky State Treasurer.)
 - b. Examples of any agreements with providers for the provision of health care services by provider type.
9. Organizational chart.
10. For both domestic and foreign Health Maintenance Organizations:

To qualify for authority to act as a health maintenance organization, shall possess and thereafter maintain unimpaired paid-in capital stock of one million dollars (\$1,000,000), and, when first so authorized, shall possess initial free surplus of not less than two million dollars (\$2,000,000). Thereafter, an authorized health maintenance organization shall possess and maintain a total of at least one million two hundred fifty thousand dollars (\$1,250,000) in its capital accounts and shall comply at all times with the risk-based capital requirements in administrative regulations promulgated by the commissioner
11. For domestic and foreign Limited Health Service Organizations:

In order to qualify for authority to act as a limited health service organization, a corporation shall have an initial net worth of at least \$250,000 when first so authorized. Thereafter, the limited health service organization shall maintain a net worth of at least \$125,000 and shall comply at all times with the risk-based capital requirements in administrative regulations promulgated by the commissioner.
12. Foreign Health Maintenance Organizations and Limited Health Service Organizations:

Submit a copy of the report of last examination (conducted within the past five years) of the insurer prior to the filing of the application, certified by the public insurance supervisory officials of the insurer's state or country of domicile.
13. Foreign Health Maintenance Organizations and Limited Health Service Organizations:

Submit a copy of the insurer's last preceding annual statement, together with any subsequent quarterly statements, sworn to by at least two (2) of the insurer's executive officers.
14. Domestic Health Maintenance Organizations and Limited Health Service Organizations:

Submit copies of minutes of organizational meetings, stockholder and/or partnership meetings, Board of Directors' meetings, Board of Directors' Executive Committee meetings and Finance Committee meetings.
15. Foreign Health Maintenance Organizations and Limited Health Service Organizations:

Sworn statement executed by the President or Secretary, indicating (1) whether or not the application for admission to any other state has ever been declined, and (2) whether or not there have been any disciplinary action(s) taken by other state insurance department(s) in the past three (3) years preceding the date of this application. Explain fully any adverse actions.

16. Submit balance sheet as of a date (just prior to approval) to be designated by this Department and verified by the oaths of at least two (2) of the insurer's principal officers, certifying the assets, liabilities and net worth of the HMO and LHSO.
17. Foreign Health Maintenance Organizations and Limited Health Service Organizations:
 - a. Certificate of Compliance, executed by the appropriate officials of the state of domicile.
 - b. Form 800 – Designation of Agency for Service of Process.
 - c. Letter from domiciliary state official, outlining the admission requirements for a similar Kentucky HMO or LHSO applying for admission in its state pertaining to such items as minimum capital and surplus funds, period of operation, special and general deposits, fees, etc.
18. Deposits: Health Maintenance Organization -- Upon admission, a deposit of cash or securities approved by the commissioner in an amount not less than five hundred thousand dollars (\$500,000). Limited Health Service Organization – Upon admission, a deposit of cash or securities approved by the commissioner in an amount not less than fifty thousand dollars (\$50,000). A health maintenance organization may be required to furnish an additional deposit if the commissioner determines, after a hearing, that an additional deposit is necessary for the protection of the health maintenance organization's enrollees.
19. Status of applicant HMO's and LHSO's licenses and pending licenses in other states.
20. Fees for filing application:

Foreign Health Maintenance Organizations and Limited Health Service Organizations:	
Annual Statement	\$100.00 (non-refundable)
Charter Documents	\$100.00 (non-refundable)
Issuance of Certificate of Authority	\$500.00
Total	\$700.00

Domestic Health Maintenance Organizations and Limited Health Service Organizations:	
Charter Documents	\$100.00 (non-refundable)
Issuance of Certificate of Authority	\$500.00
Total	\$600.00

Please make check payable to Kentucky State Treasurer. Any questions should be addressed to the Financial Standards and Examination Division (502) 564-6082.